

Hawthorne School District

Educational Excellence

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

43

April 14, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

BOARD OF TRUSTEES

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March 24, 2015

The Honorable Board of Supervisors
County of Los Angeles
Room 383 Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Attn: Patrick Ogawa

ADMINISTRATION

HELEN E. MORGAN, Ed.D.
Superintendent
STEVE TABOR
Associate Superintendent
Pupil Personnel Services
SHELLEY ROSE
Assistant Superintendent
Human Resources
BRIAN MARKARIAN, Ed.D.
Assistant Superintendent
Educational Services
AMBUR BORTH
Chief Business Official

Subject: Hawthorne School District Request for Board to Levy
Taxes and to Direct the Auditor-Controller to Maintain
Taxes on the Tax Roll

Dear Supervisors:

On March 11, 2015, the Board of Trustees of Hawthorne School District (the "District") considered and adopted a resolution (the "District Resolution") authorizing the issuance and sale of the District's General Obligation Refunding Bonds, Election of 2004, 2015 Series A in the aggregate principal amount not to exceed \$5,600,000 (the "Series A Bonds") and its General Obligation Refunding Bonds, Election of 1997, 2015 Series B in an aggregate principal amount not to exceed \$4,500,000 (the "Series B Bonds," and, collectively with the Series A Bonds, the "Bonds"), pursuant Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code of the State of California. An executed original of the District Resolution that has been approved by the Board of Trustees of the District is enclosed herewith. The District has not rescinded, amended or otherwise modified the District Resolution since adoption. A final debt service schedule for the Bonds will be supplied by the District following the sale of the Bonds.

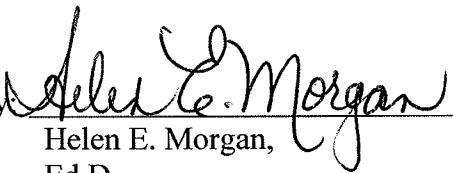
The District formally requests in accordance with applicable law that the Los Angeles County Board of Supervisors (the "Board of Supervisors") adopt the enclosed resolution (the "County Resolution") (a) to levy the appropriate taxes and to direct the County Auditor-Controller to maintain these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of the Bonds as described above and (b) to agree that the County Treasurer and Tax Collector acting as paying agent for the Bonds, subject to the County's ability to contract with a third party designee.

IT IS THEREFORE RECOMMENDED THAT THE BOARD OF
SUPERVISORS:

1. Adopt the enclosed County Resolution.
2. After the Board of Supervisors has taken action on this letter, the District requests that the Executive Officer-Clerk of the Board of Supervisors furnish two (2) certified copies of the adopted resolution to Nixon Peabody LLP, at 555 West Fifth Street, Los Angeles, California 90013, Attention: Stuart Clapp, and send one (1) copy of the adopted resolution to each of the following:
 - a. Piper Jaffray & Co.
Attention: Timothy Carty
2321 Rosecrans Avenue, Suite 3200
El Segundo, CA 90245
 - b. Los Angeles County Treasurer and Tax Collector
Attention: John Patterson
500 West Temple Street, Room 432
Los Angeles, CA 90012
 - c. Los Angeles County Auditor-Controller
Attention: Lynn Okamura
500 West Temple Street, Room 603
Los Angeles, CA 90012
 - d. Los Angeles County Counsel
Attention: Thomas R. Parker, Esq.
500 West Temple Street, Room 648
Los Angeles, CA 90012

Sincerely,

HAWTHORNE
SCHOOL DISTRICT

By 
Helen E. Morgan,
Ed.D.,
Superintendent

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, AUTHORIZING THE LEVY OF TAXES FOR THE HAWTHORNE SCHOOL DISTRICT GENERAL OBLIGATION REFUNDING BONDS, ELECTION OF 2004, 2015 SERIES A AND GENERAL OBLIGATION REFUNDING BONDS, ELECTION OF 1997, 2015 SERIES B, DESIGNATING THE PAYING AGENT THEREFOR AND DIRECTING THE COUNTY AUDITOR-CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL

WHEREAS, a duly called election was held in the Hawthorne School District (the "District"), County of Los Angeles (the "County"), State of California, on June 3, 1997 (the "1997 Election"), and thereafter canvassed pursuant to law; and

WHEREAS, at the 1997 Election, there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$28,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District; and

WHEREAS, a duly called election was held in the District on November 2, 2004 (the "2004 Election"), and thereafter canvassed pursuant to law; and

WHEREAS, at the 2004 Election, there was submitted to and approved by the requisite fifty-five percent (55%) of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$24,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District; and

WHEREAS, the Board of Trustees of the District (the "District Board") has now determined that conditions in the financial marketplace are favorable to refinance certain of the general obligation bonds issued under the 1997 Election and certain of the general obligation bonds issued under the 2004 Election and to pay associated costs of issuance of the Bonds (defined below); and

WHEREAS, pursuant to pertinent provisions of the California Government Code and the Resolution of the District Board adopted on March 11, 2015 (the "District Resolution"), the District is authorized to issue and has determined to issue its General Obligation Refunding Bonds, Election of 2004, 2015 Series A in the aggregate principal amount not to exceed \$5,600,000 (the "Series A Bonds") and its General Obligation Refunding Bonds, Election of 1997, 2015 Series B in an aggregate principal amount not to exceed \$4,500,000 (the "Series B Bonds," and, collectively with the Series A Bonds, the "Bonds"); and

WHEREAS, the Board of Supervisors of the County (the "County Board") has received a certified copy of the District Resolution and has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of the County (the "Auditor-Controller") to place on its 2015-16 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service

schedule for the Bonds, that will be provided to the Auditor-Controller by the District following the sale of such Bonds; and

WHEREAS, the District has requested the Treasurer and Tax Collector of the County (the "Treasurer") be appointed as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds;

NOW THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Issuance of Bonds. That pursuant to sections 53550 and 53580 of the Government Code, the County is granted the power to and hereby approves the issuance of the Refunding Bonds by the District on its own behalf under the Bond Law.

SECTION 2. Levy of Taxes. That this County Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

SECTION 3. Preparation of Tax Roll. That the Auditor-Controller is hereby directed to place on its 2015-16 tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Bonds.

SECTION 4. Paying Agent. That the Treasurer act as Paying Agent for the Bonds. The Treasurer is authorized to contract with a third party to perform the services of Paying Agent.

SECTION 5. Effective Date. That this Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted on the 14th day of April, 2015, adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment districts, agencies and authorities for which said County Board so acts.



PATRICK OGAWA,
Acting Executive Officer-Clerk of the Board of
Supervisors of the County of Los Angeles

By: [Signature]
Deputy

APPROVED AS TO FORM:

MARK J. SALADINO,
County Counsel

By: [Signature]
Deputy County Counsel

Hawthorne School District
14120 S. Hawthorne Blvd.
Hawthorne, CA 90250

March 11, 2015

2014-2015
RESOLUTION #24

**RESOLUTION OF THE BOARD OF TRUSTEES
OF HAWTHORNE SCHOOL DISTRICT
AUTHORIZING THE ISSUANCE AND SALE OF
HAWTHORNE SCHOOL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, ELECTION OF 2004, 2015 SERIES A
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,600,000 AND
GENERAL OBLIGATION REFUNDING BONDS, ELECTION OF 1997, 2015 SERIES B
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000, AND
APPROVING CERTAIN OTHER MATTERS RELATING TO THE BONDS**

WHEREAS, a duly called election was held in the Hawthorne School District, a school district duly organized and existing under the laws of the State of California (the "**District**"), County of Los Angeles (the "**County**"), State of California, on June 3, 1997 (the "**1997 Election**"), and thereafter canvassed pursuant to law; and

WHEREAS, at the 1997 Election, there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$28,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District; and

WHEREAS, a duly called election was held in the District on November 2, 2004 (the "**2004 Election**"), and thereafter canvassed pursuant to law; and

WHEREAS, at the 2004 Election, there was submitted to and approved by the requisite fifty-five percent (55%) of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$24,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District; and

WHEREAS, as authorized by the 1997 Election, the Board of Trustees of the District (the "**Governing Board**") has previously caused to be issued, among other series, certain of its general obligation bonds which were in turn refunded through the issuance of \$12,315,000 aggregate principal amount of the District's General Obligation Refunding Bonds, Election of

1997, 2005 Series E (the **"1997 Election Prior Bonds"**), of which \$4,190,000 aggregate principal amount is presently outstanding and subject to redemption; and

WHEREAS, as authorized by the 2004 Election, the Governing Board has previously issued, among other series, \$9,850,060.55 aggregate principal and issue amount of the District's General Obligation Bonds, Election of 2004, 2005 Series A (the **"2004 Election Prior Bonds,"** and, collectively with the 1997 Election Prior Bonds, the **"Prior Bonds"**), of which \$5,270,000 aggregate principal amount is presently outstanding and subject to redemption; and

WHEREAS, circumstances now dictate the advance refunding of certain maturities of the Prior Bonds in accordance with their terms (collectively, the **"Refunded Bonds"**); and

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Sections 53550 and 53580, respectively), the District is authorized to issue, or cause to be issued, general obligation bonds to refund the Refunded Bonds; and

WHEREAS, the Governing Board has now determined that conditions in the financial markets have become favorable for refunding the Refunded Bonds by issuing its General Obligation Refunding Bonds, Election of 2004, 2015 Series A (the **"Series A Bonds"**) and its General Obligation Refunding Bonds, Election of 1997, 2015 Series B (the **"Series B Bonds,"** and, collectively with the Series A Bonds, the **"Bonds"**); and

WHEREAS, pursuant to Section 53558(a) of the Government Code, the District is authorized to deposit proceeds of the sale of the Bonds in escrow in an amount sufficient to pay the principal and maturity amount of and interest and redemption premiums, if any, on the Refunded Bonds as they become due or at designated dates prior to maturity, and to use the net proceeds of the Bonds to pay the costs of issuance of the Bonds; and

WHEREAS, this Governing Board has determined that it is desirable to sell the Bonds pursuant to a private sale with William Blair & Co., acting as Placement Agent (the **"Placement Agent"**), pursuant to a Placement Agent Agreement (as defined herein), a form of which has been submitted to this meeting of the Governing Board and is on file with the Clerk of the Governing Board (the **"Clerk"**); and

WHEREAS, a form of Commitment Letter (the **"Commitment Letter"**), by and between the District and the Original Purchaser (as defined herein), has been submitted to this meeting of the Governing Board and is on file with the Clerk; and

WHEREAS, a form of escrow agreement (the **"Escrow Agreement"**), by and between the District and U. S. Bank National Association Bank, as escrow agent (the **"Escrow Agent"**), directing the establishment of an escrow fund for deposit of certain proceeds of sale of the Bonds for the purpose of paying and redeeming the Refunded Bonds has been submitted to this meeting of the Governing Board and is on file with the Clerk; and

WHEREAS, this Governing Board desires that the County of Los Angeles Treasurer and Tax Collector (the **"Treasurer"**) should collect an *ad valorem* property tax on all taxable property within the District sufficient to provide for payment of the Bonds, and intends by the

adoption of this Resolution to notify the Board of Supervisors of the County, the Auditor-Controller, the Treasurer and other officials of the County that they should take such actions as shall be necessary to provide for the levy and collection of such tax and payment of the Bonds; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds (as hereinafter defined), is within all limits prescribed by law;

NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED by the Governing Board of the Hawthorne School District as follows:

SECTION 1. Definitions. Capitalized terms used but not defined herein shall have the meanings set forth in the Recitals hereto. Additionally, the following terms shall for all purposes of this Resolution have the following meanings:

"Auditor-Controller" shall mean the Auditor-Controller of the County.

"Authorizing Law" shall mean Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code.

"Board of Supervisors" shall mean the Board of Supervisors of the County.

"Bond Counsel" shall mean Nixon Peabody LLP or any other firm that is a nationally recognized bond counsel firm.

"Bond Register" shall mean the books referred to in Section 14 of this Resolution.

"Business Day" shall mean a day which is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Costs of Issuance" shall mean all of the costs of issuing the Bonds, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds, the Placement Agent Agreement and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; fees of the Financial Advisor; Placement Agent's fees; rating agency fees; auditor's fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent, and fees of the Escrow Agent and the Verification Agent; fees for credit enhancement (if any) relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the Bonds, to the extent such fees and expenses are approved by the District.

"County Office of Education" shall mean the Office of Education of the County and such other persons as may be designated by the County Office of Education to perform the operational and disbursement functions hereunder.

"Debt Service" shall have the meaning given to that term in Section 16 of this Resolution.

"Debt Service Fund" shall mean the Debt Service Fund established pursuant to Section 16 of this Resolution.

"Defeasance Securities" means lawful money or noncallable direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds.

"Financial Advisor" shall mean Piper, Jaffray & Co., as financial advisor to the District in connection with the issuance and sale of the Bonds.

"Fiscal Year" shall mean the twelve-month period commencing on July 1 of each year and ending on the following June 30 or any other fiscal year selected by the District.

"Interest Payment Date" shall mean February 1 and August 1 in each year, or as otherwise specified in the Commitment Letter, commencing on the date specified in the Commitment Letter.

"Moody's" shall mean Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

"Original Purchaser" shall mean Capital One Public Funding, LLC, as original purchaser of the Bonds.

"Outstanding" when used with reference to the Bonds, shall mean, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

- (i) Bonds canceled at or prior to such date;
- (ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 13 hereof;
- (iii) Bonds for the payment or redemption of which funds or eligible securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 39 of this Resolution.

"Owner" shall mean the registered owner, as indicated in the Bond Register, of any Bond.

"Paying Agent" shall mean the Treasurer and Tax Collector of the County, who may elect to contract with a third party as its agent.

"Placement Agent" shall mean William Blair & Company, L.L.C., as placement agent for the Bonds.

"Placement Agent Agreement" shall mean the Agreement to Provide Placement Agent Services, by and between the District and the Placement Agent relating to the Bonds.

"Pledged Moneys" shall have the meaning given to that term in Section 17 of this Resolution.

"Principal" or "Principal Amount" shall mean, as of any date of calculation the principal amount of the Bonds.

"Record Date" shall mean the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date.

"Regulations" shall mean the regulations of the United States Department of the Treasury proposed or promulgated under Sections 103 and 141 through 150 of the Code which by their terms are effective with respect to the Bonds and similar Treasury Regulations to the extent not inconsistent with Sections 103 and 141 through 150 of the Code, including regulations promulgated under Section 103 of the Internal Revenue Code of 1954, as amended.

"S&P" shall mean Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

"Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"State" shall mean the State of California.

"Superintendent" shall mean the Superintendent of the District.

"Supplemental Resolution" shall mean any resolution supplemental to or amendatory of this Resolution, adopted by the District in accordance with Section 36 or Section 37 hereof.

"Transfer Amount" shall mean, with respect to any Outstanding Bond, the aggregate Principal Amount thereof.

"Verification Agent" shall mean Causey Demgen & Moore P.C.

SECTION 2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Except where the context otherwise requires, words importing the singular shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

SECTION 3. Authority for this Resolution. This Resolution is adopted pursuant to the 1997 Election, the 2004 Election, the Constitution of the State and the provisions of the Authorizing Law.

SECTION 4. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the District and the Owners from time to time of the Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

SECTION 5. Approval of Documents; Determination of Method of Sale and Terms of Bonds.

(a) The Superintendent, the Chief Business Official, and their designees (each, an “**Authorized Officer**”), in consultation with Bond Counsel and the other officers of the District are, and each of them acting alone is, hereby authorized and directed to issue and deliver the Bonds and to establish the initial aggregate Principal Amount thereof; provided, however, that such initial aggregate Principal Amount shall not exceed the maximum aggregate of \$10,100,000.

(b) The form of the Commitment Letter is hereby approved. The Authorized Officers are, and each of them acting alone is, authorized and directed to execute and deliver the Commitment Letter for and on behalf of the District, with such additions, changes or corrections therein as the Authorized Officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District, including, without limitation (i) such changes as are necessary to reflect the final terms of the Bonds to the extent such terms differ from those set forth in this Resolution, such approval to be conclusively evidenced by such Authorized Officer’s execution thereof and (ii) any other documents required to be executed thereunder. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed to determine the specific maturities and amounts of the Prior Bonds or portions thereof to be refunded based upon market conditions existing at the time of the pricing of the Bonds. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed to determine whether it is in the District’s best interests and in the best interest of the taxpayers to pursue a sale of the Bonds through a negotiated underwriting. In addition, the Authorized Officers are, and each of them acting alone is, hereby authorized to negotiate with the Placement Agent and the Original Purchaser the interest rates on the Bonds and the purchase price of the Bonds to be paid by the Original Purchaser. The interest rate on the Bonds shall not exceed the legal maximum under California law.

(c) The form of the Escrow Agreement is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver the Escrow Agreement in substantially the form on file with the District and considered at this meeting, with such changes therein as the Authorized Officer executing the same on behalf of the District may approve, in

his or her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement by such Authorized Officer. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed to make changes to the Escrow Agreement to achieve the purposes for which the Bonds are being executed and delivered.

SECTION 6. Authorization of Officers. The Authorized Officers of the District are, and each of them acting alone is, hereby authorized to execute any and all documents and do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purposes.

SECTION 7. Use of Bond Proceeds. The proceeds of the Bonds, together with other available funds, shall be applied to pay the Principal of and interest and redemption premium, if any, on the Refunded Bonds as they become due or at their redemption dates and to pay Costs of Issuance.

SECTION 8. Designation and Form; Payment.

(a) Two or more series of Bonds entitled to the benefit, protection and security of this Resolution are hereby authorized in an aggregate Principal Amount not to exceed \$10,100,000. Such Bonds shall be general obligations of the District, payable as to Principal of and premium, if any, and interest from *ad valorem* taxes to be levied upon all of the taxable property in the District. The Bonds shall be designated the "Hawthorne School District General Obligation Refunding Bonds, Election of 2004, 2015 Series A" and "Hawthorne School District General Obligation Refunding Bonds, Election of 1997, 2015 Series B." The Bonds shall be issued as current interest bonds and may be issued as serial bonds or term bonds, as set forth in the Commitment Letter, subject to the provisions of this Resolution. The Series B Bonds may be sold on a forward or delayed delivery basis.

(b) The form of the Bonds shall be substantially in conformity with the standard form of registered school district bonds, a form of which is attached hereto as Exhibit A and incorporated herein by this reference, with such changes as are necessary to reflect the final terms of the Bonds.

(c) Principal of and premium, if any, and interest with respect to any Bond are payable in lawful money of the United States of America. Principal and premium, if any, is payable upon surrender thereof at maturity or earlier redemption at the office designated by the Paying Agent.

(d) So long as the Bonds are owned by the Original Purchaser, the following shall apply: (i) the Bonds are not required to be presented and surrendered to the Paying Agent for payment at any time prior to the final maturity thereof, and (ii) the Paying Agent will pay the principal of and interest on the Bonds by wire transfer to the Original Purchaser in accordance with the wire transfer instructions provided by the Original Purchaser to the Paying Agent from time to time; provided that principal of the Bonds that is payable at maturity shall be made only upon presentation and surrender hereof at the office of the Paying Agent as set forth in the preceding paragraph.

SECTION 9. Description of the Bonds.

(a) The Bonds shall be issued in fully registered form, in denominations of \$5,000 or any integral multiple thereof, except as provided in the Commitment Letter. The Bonds shall be dated and shall mature on the dates, in the years and in the Principal Amounts, and interest shall be computed at the rates set forth in the Commitment Letter.

(b) Interest on each Bond shall accrue from its dated date as set forth in the Commitment Letter. Interest on the Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of \$1,000,000 Principal Amount or more of such Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

SECTION 10. Registration of Bonds.

The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Bonds.

SECTION 11. Execution of the Bonds.

(a) The Bonds shall be executed in the manner required by the Authorizing Law. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been issued by the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed such Bonds had not ceased to hold such offices.

(b) Each Bond shall bear thereon a certificate of authentication executed manually by the Paying Agent. Only such Bonds as shall bear thereon such certificate of

authentication duly executed by the Paying Agent shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Paying Agent. Such certificate of the Paying Agent upon any Bond shall be conclusive evidence that the Bond so authorized has been duly authenticated and delivered under this Resolution and that the Owner thereof is entitled to the benefit of this Resolution.

SECTION 12. Transfer and Exchange. The registration of any Bond may be transferred upon the Bond Register upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer shown in Exhibit A hereto, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether the Principal of or premium, if any, or interest with respect to such Bond shall be overdue or not, for the purpose of receiving payment of Principal of and premium, if any, and interest with respect to such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor, maturity and Transfer Amount of other authorized denominations. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

SECTION 13. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Bond of like date, interest rate, maturity and tenor as the Bond so mutilated in exchange and substitution for such mutilated Bond, upon surrender and cancellation thereof. All Bonds so surrendered shall be cancelled. If any Bond shall be destroyed, stolen or lost, evidence of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is

satisfactory to the Paying Agent that such Bond has been destroyed, stolen or lost, and upon furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as the Paying Agent may incur, the Paying Agent shall, at the expense of the Owner, execute and deliver a new Bond of like date, interest rate, maturity, Transfer Amount and tenor in lieu of and in substitution for the Bond so destroyed, stolen or lost. Any new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

SECTION 14. Bond Register. The Paying Agent shall keep or cause to be kept at its office sufficient books for the registration and registration of transfer of the Bonds. Upon presentation for registration of transfer, the Paying Agent shall, as above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Bonds, or cause the same to be registered or cause the registration of the same to be transferred, on such books.

SECTION 15. Unclaimed Money. All money which the Paying Agent shall have received from any source and set aside for the purpose of paying or redeeming any of the Bonds shall be held in trust for the respective Owners of such Bonds, but any money which shall be so set aside or deposited by the Paying Agent and which shall remain unclaimed by the Owners of such Bonds for a period of one year after the date on which any payment or redemption with respect to such Bonds shall have become due and payable shall be transferred to the General Fund of the District; provided, however, that the Paying Agent, before making such payment, shall cause notice to be mailed to the Owners of such Bonds, by first-class mail, postage prepaid, not less than 90 days prior to the date of such payment to the effect that said money has not been claimed and that after a date named therein any unclaimed balance of said money then remaining will be transferred to the General Fund of the District. Thereafter, the Owners of such Bonds shall look only to the General Fund of the District for payment of such Bonds.

SECTION 16. Application of Proceeds; Escrow Agreement; Debt Service Fund.

(a) A portion of the proceeds of sale of the Bonds shall be transferred to the Escrow Agent for deposit in an Escrow Fund established under the Escrow Agreement in an amount necessary to purchase the Defeasance Securities needed to defease and redeem the Refunded Bonds.

(b) Accrued interest, if any, shall be kept separate and apart in the appropriate fund hereby created and established, designated as either the "Hawthorne School District General Obligation Refunding Bonds, 2015 Series A Debt Service Fund" or the "Hawthorne School District General Obligation Refunding Bonds, 2015 Series B Debt Service Fund" (collectively, the "**Debt Service Funds**") and used only for payment of Principal of and interest

on the related series of Bonds. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the applicable Debt Service Fund and applied to the payment of Principal of and interest on the related series of Bonds.

(c) All Pledged Moneys shall be deposited upon collection by the County into the appropriate Debt Service Fund and used for the payment of the Principal of and premium, if any, and interest on the related series of Bonds.

(d) On the Business Day immediately preceding each Interest Payment Date if the Paying Agent is not the Treasurer, and on the Interest Payment Date if the Paying Agent is the Treasurer, the District shall transfer or cause to be transferred from the appropriate Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay all the Principal of and premium, if any, and interest on the related series of Bonds (collectively, the "Debt Service") on such Payment Date. Debt Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service.

(e) Certain proceeds of the Bonds shall be applied to pay Costs of Issuance as provided in Section 18 below.

SECTION 17. Payment of and Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes a continuing direct *ad valorem* tax annually during the period the Bonds are outstanding in an amount sufficient to pay the Principal of and interest on the Bonds when due, which monies when collected will be placed in the Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the Principal of and interest on the Bonds when and as the same fall due (the "Pledged Moneys"). The District covenants to cause the County to take all actions necessary to levy such *ad valorem* tax, in accordance with this Section and Section 53559 of the Government Code.

Interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal of and interest on the Bonds when due.

SECTION 18. Payment of Costs of Issuance. Proceeds of the sale of the Bonds necessary to pay all costs of issuing the Bonds shall be deposited in the fund of the District known as the "Hawthorne School District 2015 Refunding Costs of Issuance Fund" (the "Costs of Issuance Fund") and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying Costs of Issuance of the Bonds. The Costs of Issuance Fund may be held and administered by the Paying Agent. Notwithstanding the foregoing, all or a portion of the Costs of Issuance may be paid by the Paying Agent or by another fiscal agent designated for such purpose. Any amounts retained for payment of Costs of Issuance and returned to the District shall be transferred in *pro rata* amounts to the Debt Service Funds to be applied to the payment of Principal of and/or interest on the related series of Bonds.

SECTION 19. Negotiated Sale/Method of Sale. The Bonds shall be sold by negotiated sale to the Original Purchaser inasmuch as such a sale: (i) will allow the District to integrate the sale of the Bonds with other public financings undertaken, or to be undertaken, by the District; (ii) will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; (iii) will allow the District to control the timing of the sale of the Bonds to the municipal bond market and, potentially, take advantage of interest rate opportunities for favorable sale of the Bonds to such market, in order to insure that savings are generated by the within refunding and (iv) reduce the Costs of Issuance of the within transaction.

SECTION 20. Engagement of Consultants; Parameters of Sale. Nixon Peabody LLP has been selected as the District's bond counsel, William Blair & Co. has been selected as the Placement Agent, Capital One Public Funding, LLC, has been selected as Original Purchaser, and Piper Jaffray & Co. has been selected to act as the Financial Advisor with respect to the authorization, sale and issuance of the Bonds. The estimated Costs of Issuance associated with the sale of the Bonds are approximately 1.7% of the par amount of the Bonds. An itemization of the estimated Costs of Issuance is on file with the Superintendent.

SECTION 21. Establishment of Additional Funds and Accounts. If at any time it is deemed necessary or desirable by the District, the Treasurer, the County Office of Education, or the Paying Agent, the District may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

SECTION 22. Request for Necessary County Actions.

(a) The Board of Supervisors, the Auditor-Controller, the Treasurer and other officials of the County are hereby requested to take and authorize such actions as may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property of the District sufficient to provide for payment of all principal of, redemption premium, if any, and interest on the Bonds as the same shall become due and payable as necessary for the payment of the Bonds, and the Clerk is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors of the County, the Auditor-Controller of the County, and the Treasurer. The Board of Trustees hereby agrees to reimburse the County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the County shall reasonably request.

(b) The Board of Supervisors, the Auditor-Controller, the Treasurer and other officials of the County are hereby requested to take and authorize such actions as may be necessary, upon, but only upon, the defeasance or redemption of the Refunded Bonds from proceeds of the Bonds, to discontinue the levy of property taxes on all taxable property of the District for the payment of the Refunded Bonds, pursuant to Section 53561 of the Government Code.

SECTION 23. Notice of Redemption of Refunded Bonds. The Escrow Agent is hereby authorized and directed to give notice of redemption of the Refunded Bonds, pursuant to the terms of the resolution of the County Board of Supervisors authorizing the issuance thereof and pursuant to the terms of the Escrow Agreement.

SECTION 24. Redemption. The Bonds shall be subject to redemption as provided in the Commitment Letter.

SECTION 25. Selection of Bonds for Redemption. Whenever provision is made in this Resolution or in the Commitment Letter for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given as provided herein, shall select Bonds for redemption in the manner directed by the District, or in the event the District shall fail to provide such direction, in inverse order of maturity and within a maturity, by lot. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof.

SECTION 26. Notice of Redemption. When redemption is authorized or required pursuant to this Resolution or the Commitment Letter, the Paying Agent, upon written instruction from the District given at least 45 days prior to the Interest Payment Date designated for such redemption, shall give notice (each, a "**Redemption Notice**") of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state (a) that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with the interest accrued to the redemption date, and (b) that from and after such date interest with respect thereto shall cease to accrue and be payable.

With respect to such Redemption Notice, at least 35 but not more than 45 days before the redemption date, the Paying Agent shall give such Redemption Notice by (i) first class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the respective Owners thereof.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

A Redemption Notice given hereunder may be conditioned upon the receipt of sufficient moneys to pay the redemption price of the affected Bonds and may be rescinded by the District in the event such funds are not received.

SECTION 27. Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a

new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

SECTION 28. Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the Debt Service Fund or in an escrow fund established therefor, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 24 hereof, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of Section 24 shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

SECTION 29. Paying Agent; Appointment and Acceptance of Duties.

(a) The Treasurer is hereby appointed as the initial Paying Agent and may contract with a third party to provide Paying Agent services hereunder. All fees and expenses incurred for services of the Paying Agent, including its third party agents, shall be the sole responsibility of the District. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it.

(b) Unless otherwise provided, the office of the Paying Agent designated by the Paying Agent shall be the place for the payment of principal of and premium, if any, and interest on the Bonds.

SECTION 30. Liability of Paying Agent. The Paying Agent makes no representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or as to the security afforded by this Resolution, and the Paying Agent shall incur no liability in respect hereof or thereof.

SECTION 31. Evidence on Which Paying Agent May Act. The Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent may consult with counsel, who may or may not be counsel to the District, and the opinion of such

counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

SECTION 32. Compensation. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution, all of which may, pursuant to Education Code Section 15232, be paid from the County's annual levy of *ad valorem* taxes.

SECTION 33. Ownership of Bonds Permitted. The Paying Agent or the Placement Agent may become the Owner of any Bonds.

SECTION 34. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) The initially appointed Paying Agent may resign from service as Paying Agent at any time. Prior to such resignation a new Paying Agent shall be appointed by the District in accordance with applicable law, which shall be the Treasurer or a bank or trust company doing business in and having a corporate trust office in Los Angeles or San Francisco, California, with at least \$50,000,000 in net assets. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District, a written acceptance thereof. Resignation of the initial or a successor Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(b) Any Paying Agent appointed may resign from service as Paying Agent and may be removed at any time by the District as provided in the Paying Agent's service agreement. If at any time the Paying Agent shall resign or be removed, a new Paying Agent shall be appointed in accordance with applicable law, which shall be either the Treasurer or a bank or trust company doing business in and having a corporate trust office in Los Angeles or San Francisco, California, with at least \$50,000,000 in net assets. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District, a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(c) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor. The District shall promptly provide notice of the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Owners of the Bonds by first-class mail, postage prepaid, at their addresses appearing on the Bond Register.

SECTION 35. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account. In computing the amount in any fund or account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations

purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

SECTION 36. Supplemental Resolutions with Consent of Owners. This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

SECTION 37. Supplemental Resolutions Effective Without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) To confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by this Resolution, of any moneys, securities or funds, or to establish any additional funds, or accounts to be held under this Resolution;

(d) To cure any ambiguity, supply any omission, or cure to correct any defect or inconsistent provision in this Resolution; or

(e) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not, in the opinion of Bond Counsel, adversely affect the interests of the Owners.

SECTION 38. Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in

any manner to question the propriety thereof or to enjoin or restrain the District or any officer or agent thereof from taking any action pursuant thereto.

SECTION 39. Defeasance. If any or all Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

- (1) by paying or causing to be paid the Principal of and premium, if any, and interest on such Bonds, and when the same become due and payable;
- (2) by depositing with the Paying Agent or with a duly appointed escrow agent, in trust, at or before maturity, cash which together with the amounts then on deposit in the Debt Service Fund (and the accounts therein other than amounts that are not available to pay Debt Service) together with the interest to accrue thereon without the need for further investment, is fully sufficient to pay such Bonds at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or
- (3) by depositing with an institution that meets the requirements of serving as successor Paying Agent pursuant to Section 34 selected by the District, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series) or obligations which are unconditionally guaranteed by the United States of America, and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge such Bonds at maturity or earlier redemption thereof, for which notice has been given or provided for, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the District and the Paying Agent under this Resolution with respect to such Bonds shall cease and terminate, except only the obligation of the Paying Agent or escrow agent to pay or cause to be paid to the Owners of such Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under Section 32 hereof.

SECTION 40. Approval of Actions; Miscellaneous.

(a) The Superintendent and the other officers of the District are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds or otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The County, the Board of Supervisors, officers, agents, and employees shall not be responsible for any proceedings or the preparation or contents of any resolutions, certificates, statements, disclosures, notices, contracts, or other documents relating to the sale and issuance of the Bonds.

(c) The Principal of and interest and redemption premium (if any) on the Bonds shall not constitute debt or an obligation of the County, its Board of Supervisors, officers, agents, or employees, and the County, the Board of Supervisors, officers, agents, and employees thereof shall not be liable thereon. In no event shall the Principal of and interest and redemption premium (if any) on any Bond be payable out of any funds or property of the County.

The Clerk of the Board of Supervisors shall send a certified copy of this Resolution, together with the final debt service schedule for the Bonds, to the Treasurer.

(Remainder of page left intentionally blank.)

SECTION 41. Conflicts. If there is any inconsistency or conflict between any provision of this Resolution and any provision of the Commitment Letter, the Commitment Letter prevails to the extent of the inconsistency or conflict.

SECTION 42. Effective Date. This Resolution shall take effect immediately upon its passage.

ADOPTED, SIGNED AND APPROVED this 11th day of March, 2015, by the Board of Trustees of the Hawthorne School District, at a regularly scheduled meeting held in Hawthorne, California, at a location freely accessible to the public, by the following roll-call vote:

AYES: 5

NOES: 0

ABSTAIN: 0

ABSENT: 0

HAWTHORNE SCHOOL DISTRICT

By: M. Cristina Chiappe
Cristina Chiappe
President, Board of Trustees

Attest:

By:

Luciano A. Aguilar
Clerk, Board of Trustees

EXHIBIT A
FORM OF BOND

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

HAWTHORNE SCHOOL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, ELECTION OF [2004][1997],
2015 SERIES [A][B]

\$ _____

No. R-

Interest
Rate

Maturity
Date

Dated
Date

CUSIP

_____ %

August 1, _____

REGISTERED OWNER: CAPITAL ONE PUBLIC FUNDING, LLC

PRINCIPAL AMOUNT:

Hawthorne School District (the "**District**"), a school district duly organized and existing under the laws of the State of California, located within the County of Los Angeles, State of California (the "**County**"), for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above, or registered assigns, the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the Dated Date set forth above until the principal amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on August 1, 2015, and semiannually thereafter on the first day of February and August (each, an "**Interest Payment Date**") in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day of the month preceding any Interest Payment Date (each, a "**Record Date**") and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on the first Record Date, in which event it shall bear interest from its date; *provided, however*, that if at the time of registration of this Bond, interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). The principal amount hereof is payable at the office of U. S. Bank National Association, as agent of the Treasurer and Tax Collector of the County, as paying agent (the "**Paying Agent**"), or at the office of a successor Paying Agent appointed pursuant to the Resolution (as hereinafter defined). So long as the Bonds are owned by Capital One Public Funding, LLC (the "**Original Purchaser**"), the

following shall apply: (a) the Bonds are not required to be presented and surrendered to the Paying Agent for payment at any time prior to the final maturity thereof, and (b) the Paying Agent will pay the principal of and interest on the Bonds by wire transfer to the Original Purchaser in accordance with the wire transfer instructions provided by the Original Purchaser to the Paying Agent from time to time; provided that principal of the Bonds that is payable at maturity shall be made only upon presentation and surrender hereof at the office of the Paying Agent as set forth in the preceding sentence. The interest hereon is payable by check or draft mailed by first class mail to each registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date, or by wire transfer to any Owner of \$1,000,000 Principal Amount or more of this Bond, to the account specified by the Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

The Bonds of this issue are comprised of \$_____ aggregate principal amount of Hawthorne School District General Obligation Refunding Bonds, Election of [2004][1997], 2015 Series [A][B]. This Bond is issued by the District under and in accordance with the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Sections 53550 and 53580, respectively) of the Government Code of the State of California, and pursuant to that a resolution adopted by the Board of Trustees of the District on March 11, 2015 (the "**Resolution**"). Reference is hereby made to the Resolution, a copy of which is on file with the Clerk of the Governing Board of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution.

This Bond is a general obligation of the District, payable as to both principal and interest from *ad valorem* taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitutes a debt, liability or obligation of the County.

This Bond is issued in fully registered form. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same principal amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

[The Bonds maturing on and prior to August 1, 20 __, shall not be subject to redemption prior to their scheduled maturities; Bonds maturing on and after August 1, 20 __, shall be subject

to optional redemption at a price of par, plus accrued interest to the date of redemption, on August 1, 20__ and any date thereafter.]

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate principal amount of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such supplemental resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

A supplemental resolution of the District may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally-recognized bond counsel, adversely affect the interests of the registered owners of the Bonds.

If this Bond is called for redemption and the principal amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that all of the proceedings of the Board of Trustees of the District and in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Authorizing Law and of the Constitution of the State of California.

IN WITNESS WHEREOF, Hawthorne School District has caused this Bond to be executed on behalf of the District as of the date hereof by the facsimile signatures of the President of the Board of Trustees and the Clerk of the Board of Trustees of the District.

HAWTHORNE SCHOOL DISTRICT

Dated: _____

By: [form only]
President of the Board of Trustees

Attest:

By: [form only]
Clerk of the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of Hawthorne School District.

DATED: _____

U. S. BANK NATIONAL ASSOCIATION,
as agent of the Treasurer and Tax Collector of
the County of Los Angeles, as Paying Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.: _____

the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By: _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.